



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 4/2/2007

GAIN Report Number: ID7011

Indonesia

Grain and Feed

Grain and Feed Annual

2007

Approved by:

Fred R. Kessel

U.S. Embassy, Jakarta

Prepared by:

Elisa Wagner/Sugiarti Meylinah

Report Highlights:

Abnormal weather has been a major factor for overall Indonesian food security problems in 2007. Indonesian rice production is estimated to sharply decrease to only 33.3 million tons of rice-milled equivalent, while corn production will increase to 6.7 million tons due to the expanded area planted with hybrid corn seeds resistant to dry conditions. Indonesian wheat flour production is expected to increase to 3.6 million tons as demand continues to grow.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Jakarta [ID1]
[ID]

TABLE OF CONTENTS

SECTION I. SITUATION AND OUTLOOK.....	3
EXECUTIVE SUMMARY	3
WHEAT	3
CORN.....	3
RICE.....	3
WHEAT	3
TRADE.....	3
CONSUMPTION.....	4
PRICES.....	4
INVESTMENT.....	5
CORN.....	5
PRODUCTION.....	5
CONSUMPTION.....	5
TRADE.....	6
POLICY.....	6
RICE, MILLED.....	6
PRODUCTION.....	6
TRADE.....	8
STOCKS	8
PRICES.....	8
POLICY.....	9
SECTION II. STATISTICAL TABLES	10
PSD: WHEAT.....	10
PSD: CORN.....	11
PSD: RICE, MILLED	12
RICE PRODUCTION: AREA AND PRODUCTION BY REGION	13
CORN PRODUCTION: AREA AND PRODUCTION BY REGION	14
STRATEGIC ECONOMIC INDICATORS.....	15

SECTION I. SITUATION AND OUTLOOK**EXECUTIVE SUMMARY****Wheat**

CY 2007 Indonesian wheat flour production is estimated to increase by 10 percent to 3.6 million tons, compared to 3.3 million tons in 2006. New investment in wheat-based noodle, biscuits, and bakery production facilities will also increase Indonesian imports of wheat flour by 46 percent from approximately 500,000 tons in CY 2006 to 730,000 tons in CY 2007.

Corn

MY 2007 Indonesian corn production is expected to slightly increase to 6.7 million tons compared to 6.5 million tons in 2006 due to the expansion of area planted with hybrid seeds from only 785,000 ha in 2006 to 824,250 ha in 2007.

Rice

Floods in early 2007 devastated not only Jakarta, but also rice producing areas in West Java, while prolonged dryness delayed plantings, and harvests in other rice producing areas throughout Java. Given the significant decrease in rice production for the first season, which normally covers 65 percent of total rice production in a year, and the possibility of water unavailability for the second and third crops for this year, Post estimates Indonesian rice imports in 2007 will reach approximately 2.2 million tons.

WHEAT**Trade**

An estimated 6 percent economic growth rate for 2007 coupled with a relatively low inflation rate will continue to fuel demand for wheat-based products and to increase new investment in the noodle and bakery sectors, especially at the upper-end malls in big cities. Indonesian wheat imports for 2006/07 are estimated to increase by 5.2 percent to 5.2 million tons in 2006/07. Australia will continue to be the major supplier to the Indonesian wheat milling industry. In 2005/06 Australia was the largest supplier with 64 percent of share, followed by Canada (20 percent), Ukraine (9 percent), and the United States (3 percent). Australia has been the dominant supplier of wheat to Indonesia mainly because of its geographical advantage. Furthermore, the industry also reports that Australia provides the Indonesian wheat flour industry with more favorable payment terms and is open to conduct trade between the government to private sector.

However, prolonged dryness in Australia has significantly reduced Australian production in 2006/07 and caused some wheat millers to source more wheat from the United States. Nonetheless, high freight differences will continue to be an important impediment to significantly increase wheat imports from United States.

The Indonesian wheat millers expressed their preference to use Hard Red Winter (HRW) wheat from United States over any other source due to its high protein content and high capability to absorb water, which makes it perfect to produce the high protein wheat flour needed by the bakery industry. However, HRW is not preferred by the noodle industry because of its color. Soft White Winter (SWW) wheat is frequently not preferred by the wheat miller due to its low capability to absorb water. SWW requires treatment to increase its water absorption rate, which in turn leads to an increase in production costs.

CY 2007 Indonesian wheat flour imports are also estimated to grow by 46 percent to 730,000 tons. The dominant wheat flour suppliers to Indonesia in 2005/06 were Australia (36 percent), Sri Lanka (21 percent), Belgium (12 percent), and United Arab Emirates (10 percent). On November 11, 2005, GOI issued Regulation of Ministry of Finance No. 109/PMK.010/2005 on The Imposition of Anti-Dumping Import Duty on The Import of Wheat Flour (HS 1101.00.00). GOI found that wheat flour imported from China and India was being dumped in the Indonesian market.

ANTI DUMPING IMPORT DUTY

No.	Countries of Origin	Tariffs of Anti-Dumping Import Duty
1.	The People's Republic of China	9.50 percent
2.	India	11.44 percent

Tariffs will be effective for five years after the date the regulation was issued. Normal import duty imposed on the import of wheat flour (HS 1101.00.00) is 5 percent while no import duty is imposed on the import of wheat grains (HS 1001.00.00).

Indonesia exported a small amount of flour primarily to Singapore (51 percent), Japan (31 percent), and Malaysia (13.5 percent), with the total amount equaling 56,000 tons in 2005/06.

Consumption

Consistent with economic growth, growing demand from the wheat-based food industry, and consumers' improving purchasing power, Indonesian wheat consumption is expected to increase to 4.95 million tons in MY 2006/07. The closing down of most of the lower-end bakeries due to increased wheat flour prices was off-set by the increase in the number of upper-end bakery outlets in major cities. Several new investors have entered the market and some existing players continue to expand. The soaring price of rice has led some rice consumers, especially those who fall in to the category of poor urban class, to switch to instant noodles as the main source of carbohydrates. Natural disasters that hit Indonesia since the end of 2004 have also caused an increase in wheat-based product consumption, which are easier to distribute to victims. The Indonesian per capita wheat consumption in 2005 was 15.3 kg/capita and is estimated to increase to 17 kg/capita in 2006.

Instant noodle (30 percent) now has a larger market share than wet and dry noodle (20 percent) among wheat-based products due to consumers' concerns over wet noodles containing formaldehyde. The balance in consumption is shared among bakery (25 percent), biscuit and snacks (15 percent), fried meals (5 percent), and family use (5 percent).

Prices

Wholesale prices of domestic wheat flour increased between 1 and 2 percent on March 26, 2007 due to the increase of wheat grain prices in the international market place. Wholesale prices of wheat flour are now ranged from around Rp. 93,000/25 kg bags (US\$ 407/ton) to Rp. 104,000/25 kg bags (US\$ 455.6/ton).

Investment

In 2006, total capacity of Indonesian wheat millers was 20,300 tons/day and production is running at around 74 percent of total capacity. Planned new plants and expansions should increase capacity by 1,600 tons/day by 2009.

CORN

Production

Due to the prolonged dryness that affected the yield and harvested area of corn in Indonesia, Post reduced corn production for MY 2005/06 to 6.5 million tons. However, the production is estimated to slightly rebound to 6.7 million tons in MY 2006/07 because of an increase in planted area, including hybrid corn, and higher price of corn that acts as an incentive for farmers.

Total area planted with hybrid corn is estimated to increase from 785,000 ha in 2006 to 824,250 ha in 2007 with the average yield of 4 tons/ha. The high price of hybrid corn seeds hinders more widespread use. The price of hybrid corn seeds range from Rp. 20,000 – 40,000/kg (US\$ 2,191 – 4,381/ton). There are around 27 varieties of hybrid corn seeds marketed in Indonesia. Most of the corn farmers in Indonesia are using composite and local corn seeds with an average yield of 2.7 tons/ha.

On February 27, 2007, GOI issued the Minister of Agriculture Regulation No. 23/Permentan/SR.120/2/2007 on General Guidelines for the Improvement of Rice, Corn, and Soybean Production and Yield through Seeds Assistance for the Year of 2007. The purpose of this regulation is to increase the 2007 Indonesian food crops production by distributing free rice, corn, and soybean seeds to farmers. Under the program, approximately 10,500 tons of hybrid corn seed to be planted on a 700,000 ha area and 4,800 tons composite corn seed to be planted on a 150,000 ha area will be distributed. Despite the availability of funds, the lack of coordination and preparedness among all the related institutions will limit the effectiveness of this program.

Corn is mostly planted as a secondary crop and inter-cropped with rice. The location of corn areas is relatively far from the feed millers, the main users of corn. Potential water unavailability during 2007, inadequate post harvest management and technology, and the lack of financial support from banks or other financial institutions may further impede the efforts to increase Indonesian corn production.

Consumption

Almost 50 percent of the Indonesian corn production is used in formulations for feed. It is often combined with soybean meal, poultry meat meal, meat and bone meal, fish meal, and other feed ingredients. MY 2006/07 Indonesian corn consumption for feed is forecasted to remain stable at approximately 4 million tons as demand for poultry feed will also remain stable due to consumers' concerns over avian influenza (AI). The highly publicized news on AI infections to poultry and humans in early 2007 has impacted poultry meat consumption. This, combined with Jakarta provincial government's regulation issued on January 17, 2007 (please refer to ID7003) has temporarily depressed poultry meat sales.

According to the Indonesian Campaign Management Unit at the Ministry of Agriculture, a total of 1.431 million heads of poultry was infected by AI in the period of January – December 2006. As of March 26, 2007, a total of 105,339 heads of poultry have been

infected by AI. Currently, AI has spread to 30 of the 33 provinces throughout Indonesia. Eleven out of the 30 provinces are considered as high risk AI due to the existence of backyard to large and well-managed poultry farms, high poultry population, and the findings of AI infections in humans. During July 2005 to March 2007, there have been 91 confirmed cases of AI infections found in humans with 71 fatalities, and another 467 suspected cases.

Trade

In line with the revised Indonesian corn production in MY2005/06, imports were also increased to 1.33 million tons to reflect the stable demand unfulfilled by the shortage in domestic production. United States (63 percent) was the major supplier for corn to Indonesia in MY 2005/06, followed by Argentina (33 percent) and Thailand (4 percent). Imports in MY 2006/07 are estimated to slightly decrease to 1.2 million tons due to the rebound in domestic production. Due to the high price of corn in the world market, the local feed millers will prioritize to purchase corn from local suppliers to minimize production cost. Fierce competition among local feed millers will cause an increase in corn prices in the domestic market. As of March 2007, the price of corn at feed mills in Medan is Rp. 2,300/kg (US\$ 252/ton), in Lampung and in Surabaya is Rp. 2,100/kg (US\$ 230/ton), and in Jakarta is Rp. 2,250/kg (US\$ 246/ton).

Policy

To maintain commodity prices at specified levels GOI launched the LUEP (Lembaga Usaha Ekonomi Pedesaan) program in 2005. For the previous two years LUEP only covered rice, but for the year 2007 LUEP will also include corn and soybeans from farmers during the corn main harvest that normally takes place around March and April. This year, LEUP has allocated Rp. 58 billion (US\$ 6.4 million) to buy corn from farmers. Unlike rice, the central government does not set the government's purchasing price for corn, therefore the targeted price will be decided by the provincial government. Gorontalo will set the price at Rp. 900/kg (US\$ 98.6/ton), South Sulawesi at Rp. 1,310/kg (US\$ 143.5/ton), and East Java at Rp. 1,300/kg (US\$ 142.4/ton).

In January 2007, GOI issued Government Regulation No. 7/2007 The Third Amendment of the Government Regulation No. 12/2001 on Import and the Delivery of Certain Strategic Taxable Goods that the Value Added Tax are Exempted. The regulation finally lifted the 10 percent VAT imposed on imported primary agricultural products. Since it also applies to domestically produced inputs, it is expected to increase the competitiveness of Indonesian agricultural products in both the domestic and international market. Corn is considered as a strategic primary agricultural product, therefore the 10 percent VAT on corn imports is also eliminated.

RICE, MILLED

Production

Recent Post observation throughout the major rice producing areas in Java confirmed post previous estimate that there will be a significant decrease in overall 2007 Indonesian rice production. Given the lack of rainfall that lead to a prolonged dry season, more than a two-month delay in the first planting season and harvest, and the possibility of no main harvest, Indonesia will likely be in a shortage situation relative to usual demand. Normally, the first main harvest takes place in March - April however, until the end of March when Post conducted the observation, there was hardly any harvest. Most of the fields had just started the planting season, while some other rice paddies were about one to two months old.

The water level at most of the larger rivers and water reservoirs in Java are below normal. The water level and volume at three water reservoirs in West Java, whose water is used by 240,000 ha of irrigated paddy fields is as follows:

RESERVOIR WATER LEVEL
As of March 14, 2007

Reservoir	Water Level (+ ... m)			
	Minimum	Average	Expected	Today's position
Saguling	623	643	635.30	634.41
Cirata	205	220	212.55	210.26
Ir. H. Djuanda	75	107	97.39	93.93

Source: PT. Jasa Tirta II

RESERVOIR VOLUME
As of March 14, 2007

Reservoir	Effective Volume (Billion m3)				
	Normal	Plan	Today's Position		
			Actual	% Normal	% Expected
Saguling	560.34	251.23	225.10	40.17	89.60
Cirata	709.39	332.87	226.72	31.96	68.11
Djuanda	1,868.94	1,143.03	916.27	49.03	80.16
TOTAL	3,138.67	1,727.12	1,368.09	43.59	79.21

Source: PT. Jasa Tirta II

The lack of water has changed farming patterns. Farmers in one area cannot start to plant their fields at the same times since they have to wait for their turn to receive water from the nearest water reservoir. Farmers closer to water reservoirs planted fields in October to December last year and started to harvest their first crop in the middle or end of March 2007. They will likely plant their second crops. Those whose fields are further from the dam had to wait their turn to receive water or had to block water from the nearest river and channel it to their fields or set up a jet pump to flood their field. The differences in planting times will result in no main harvest period. Instead, the harvest will happen over several months over scattered areas and with relatively small amounts. This may create problems since government policy assumes a main harvest period. The continuous cropping pattern will also increase the vulnerability to pest and disease attacks.

Farmers who normally grow rice paddy crops three times in a year will only be able to grow rice twice this year, while those who normally grow rice twice a year followed by a secondary crop such as soybeans, corn, peanut, or mungbean, will only be able to grow rice once followed by the secondary crop.

In early 2007, GOI announced its intention to increase rice production by 2 million tons through the Seeds Assistance program worth US\$ 115 million. GOI will distribute 112,247 tons of high quality rice paddy seeds to be planted on 4.5 million ha areas, and 3,600 tons hybrid rice paddy seeds to be planted on 240,000 ha areas. Farmers are expected to receive

the free seeds before the second planting season begins at the end of March or by mid April, at the latest. However, no farmers in rice producing areas observed by post have received the seeds as of the middle of March 2007. The short period to procure the seeds in each regency and municipality, and the mechanism to distribute it to farmers will make it difficult for GOI to reach its goal.

Farmers are also reluctant to switch from local rice paddy seeds to hybrid rice paddy seeds due to the intensive farming method that must be applied to gain the best yields. Hybrid seeds are well known among farmers for its high vulnerability to drought and its low resistance to pest and disease. The texture and taste of the rice produced from hybrid seeds are also not preferred by consumers.

Given the current situation, Post estimates that Indonesian rice production in 2007 will sharply decrease to only 33.3 million tons rice milled equivalent.

Trade

On February 14, 2007, GOI issued the Letter of Minister of Trade No. 138/M-DAG/2/2007 on Rice Import Assignment Phase II. This letter gave a license for Bulog, the Indonesian National Logistics Agency, to import 1 million tons white rice with a maximum of 15 percent broken divided into two tranches of 500,000 tons each. The first tranche must be completed by April 30, 2007 while the second is to be determined later based on the situation.

Given a short period of time between the issuance of the license and the due date for the first tranche, Bulog has decided to procure the imported rice with three methods:

- 200,000 tons will be Government-to-Government with Thailand.
- 100,000 tons will be by open tender. Out of this amount, only 75,000 tons (25,000 tons of 15% broken Vietnamese rice and 50,000 tons of 15% broken Thailand rice) will arrive before end of April 2007.
- 200,000 tons will be through cooperation with private companies. Approximately 10 private companies have been elected to import the rice into Indonesia by the end of March 2007.

Due to the tight supplies and high price of rice in the international market, Bulog has proposed to GOI that the import duty of rice be lowered by half. Normal import duty for rice is Rp. 450/kg (US\$ 49.28/ton). Both Bulog and private companies are having difficulties finding vessels to load the rice since GOI is importing rice and sugar at the same time.

Stocks

Carry-over stocks are estimated to decline to only 2.8 million tons by the end of 2007 and are forecasted to decline further to 2.4 million tons by the end of 2008 due to the shortage in production and stable demand for rice. By mid February 2007, Bulog's reported stocks were at 665,000 tons.

To prevent the price from falling during the first rice harvest, Bulog will buy rice from farmers using the government's purchasing price (HPP). The target for domestic procurement is around 1.5 million tons.

Prices

The Indonesian rice situation continues changing rapidly. In mid March 2007, the price of wet paddy in West Java and Central Java ranged from Rp. 2,300 – 2,400/kg (US\$ 252 – 263/ton), and the price of medium quality rice at the wholesale market in Jakarta was

quoted at Rp. 6,000/kg (US\$ 657/ton). As of March 27, 2007 when the harvest period began, the price of wet paddy in Java ranged from Rp. 1,600 – 2,000 (US\$ 175 – 219/ton). The price of medium quality rice at the Jakarta wholesale market was Rp. 5,700/kg (US\$ 624.3/ton) as supply from rice producing areas in Java started to flood the wholesale market at an average rate of 2,482 tons/day (as of March 26, 2007).

Policy

For the 2007 program, GOI has allocated Rp. 250 billion under LUEP for rice to purchase 133,000 tons of rice from farmers during the harvest period. When the price of rice is lower than the HPP, LUEP will buy at the HPP, but if the price is above the HPP, LUEP will continue buying at the market price to meet the procurement target. However, the most recent field observation conducted by post (as of March 27, 2007), some farmers in Central Java and East Java who were harvesting their crops reported that the price of wet paddy had plunged below HPP level and Bulog or LUEP can buy wet paddy at below HPP.

On March 31, 2007, GOI issued the Presidential Instruction No. 3/2007 on The National Rice Policy that increased the HPP by 17.6 percent average. The increase is intended to act as a motivator for farmers to increase rice production by increasing their income, to maintain food sufficiency, and national economy stability.

Government Purchasing Price (HPP) (Based on the Presidential Instruction No. 3/2007)

Type	Moisture Content (Percent)	Government Purchasing Price (HPP)			
		Old (Inpres No. 13/2005)		New (Inpres No. 3/ 2007)	
		Rp./kg	US\$ /ton	Rp./kg	US\$/ton
Wet paddy (GKP)	25	1,730	189	2,000	219
Dry paddy (GKG)	14	2,280	250	2,575	282
Rice	14	3,550	389	4,000	438

Note: US\$ 1 = Rp. 9,130, average as of March 2007.

SECTION II. STATISTICAL TABLES

PSD: WHEAT

PSD Table									
Country	Indonesia								
Commodity	Wheat						(1000 HA)	(1000 MT)	(MT/HA)
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		07/2005	07/2005		07/2006	07/2006		07/2007	07/2007
Area Harvested	0	0	0	0	0	0	0	0	0
Beginning Stocks	854	914	854	960	894	943	785	764	961
Production	0	0	0	0	0	0	0	0	0
MY Imports	4981	4800	4943	4800	5000	5200	0	0	5460
TY Imports	4981	4800	4943	4800	5000	5200	0	0	5460
TY Imp. from U.S.	215	150	157	0	150	440	0	0	270
Total Supply	5835	5714	5797	5760	5894	6143	785	764	6421
MY Exports	163	220	164	175	230	180	0	0	190
TY Exports	163	220	164	175	230	180	0	0	190
Feed Consumption	50	50	52	50	50	52	0	0	53
FSI Consumption	4662	4550	4638	4750	4850	4950	0	0	5140
Total Consumption	4712	4600	4690	4800	4900	5002	0	0	5193
Ending Stocks	960	894	943	785	764	961	0	0	1038
Total Distribution	5835	5714	5797	5760	5894	6143	0	0	6421
Yield	0	0	0	0	0	0	0	0	0

PSD: CORN

PSD Table									
Country	Indonesia								
Commodity	Corn						(1000 HA)	(1000 MT)	(MT/HA)
	2005 Revised			2006 Estimate			2007 Forecast		
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		10/2005	10/2005		10/2006	10/2006		10/2007	10/2007
Area Harvested	3310	3310	3310	3250	3400	3300	0	0	3400
Beginning Stocks	774	829	774	817	769	674	667	709	684
Production	6900	6900	6500	6600	7200	6700	0	0	6900
MY Imports	1443	1000	1330	1300	800	1200	0	0	1000
TY Imports	1443	1000	1330	1300	800	1200	0	0	1000
TY Imp. from U.S.	971	0	970	0	0	875	0	0	800
Total Supply	9117	8729	8604	8717	8769	8574	667	709	8584
MY Exports	50	60	30	50	60	30	0	0	30
TY Exports	50	60	30	50	60	30	0	0	30
Feed Consumption	4250	4000	4000	4200	4200	4000	0	0	4050
FSI Consumption	4000	3900	3900	3800	3800	3860	0	0	3900
Total Consumption	8250	7900	7900	8000	8000	7860	0	0	7950
Ending Stocks	817	769	674	667	709	684	0	0	604
Total Distribution	9117	8729	8604	8717	8769	8574	0	0	8584
Yield	2.084592	2.084592	1.963746	2.030769	2.117647	2.030303	0	0	2.029412

PSD: RICE, MILLED

PSD Table									
Country	Indonesia								
Commodity	Rice, Milled					(1000 HA)	(1000 MT)	(MT/HA)	
	2005	Revised		2006	Estimate		2007	Forecast	
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin		01/2006	01/2006		01/2007	01/2007		01/2008	01/2008
Area Harvested	11800	11800	11800	11400	11400	11400	0	11600	11600
Beginning Stocks	3448	3448	3448	3157	3207	3157	2407	2857	2807
Milled Production	34959	34959	34959	33300	33300	33300	0	34000	34000
Rough Production	54200	54200	54200	51628	51628	51628	0	52713	52713
Milling Rate (.9999)	6450	6450	6450	6450	6450	6450	0	6450	6450
MY Imports	550	600	550	1800	2200	2200	0	1600	1600
TY Imports	550	600	550	1800	2200	2200	0	1600	1600
TY Imp. from U.S.	0	0	0	0	0	0	0	0	0
Total Supply	38957	39007	38957	38257	38707	38657	2407	38457	38407
MY Exports	0	0	0	0	0	0	0	0	0
TY Exports	0	0	0	0	0	0	0	0	0
Total Consumption	35800	35800	35800	35850	35850	35850	0	36000	36000
Ending Stocks	3157	3207	3157	2407	2857	2807	0	2457	2407
Total Distribution	38957	39007	38957	38257	38707	38657	0	38457	38407
Yield (Rough)	4.59322	4.59322	4.59322	4.528772	4.528772	4.528772	0	4.544224	4.544224

RICE PRODUCTION: AREA AND PRODUCTION BY REGION
(First Estimate Figures by the Government of Indonesia for 2007)

Harvested Area, Production, and Yield of Rice, 2007*

Province	Harvested Area (Ha)	Production (MT)	Yield (100Kg/Ha)
North Sumatra	735,787	3,126,132	42.49
South Sumatra	656,310	2,562,926	39.05
Sub Total: Sumatra	3,010,997	12,446,291	41.34
West Java	1,661,974	8,582,276	51.64
Central Java	1,495,161	8,004,167	53.53
East Java	1,752,877	9,380,008	53.51
Sub Total: Java	5,345,988	28,436,033	53.19
West Nusa Tenggara	276,986	1,272,876	45.95
Sub Total: Bali & Nusa Tenggara	587,939	2,564,951	43.63
West Kalimantan	374,378	1,124,541	30.04
South Kalimantan	467,533	1,684,140	36.02
Sub Total Kalimantan	1,207,398	3,909,809	32.38
Central Sulawesi	177,012	734,198	41.48
South Sulawesi	736,274	3,467,734	47.10
Sub Total Sulawesi	1,214,385	5,550,617	45.71
Other Provinces/Islands	59,371	205,322	34.58
TOTAL INDONESIA	11,426,078	53,113,023	46.48

Source: Indonesian Central Bureau of Statistics (BPS)

Note: * GOI first estimates 2007

CORN PRODUCTION: AREA AND PRODUCTION BY REGION
(First Estimate Figures by the Government of Indonesia for 2007)

Harvested Area, Production, and Yield of Corn 2007*

Province	Harvested Area (Ha)	Production in Metric Ton		Yield (100Kg/Ha)
		(wet basis)	(dry basis)	
North Sumatra	198,781	678,354	474,848	34.13
Lampung	343,999	1,225,241	857,669	35.62
Sub Total: Sumatra	693,502	2,429,024	1,700,317	35.03
West Java	120,673	614,636	430,245	50.93
Central Java	525,444	1,973,893	1,381,725	37.57
East Java	1,111,773	4,228,124	2,959,687	38.03
Sub Total: Java	1,837,326	7,085,179	4,959,625	38.56
East Nusa Tenggara	242,273	572,727	400,909	23.64
Sub Total: Bali & Nusa Tenggara	299,680	725,515	507,861	24.21
West Kalimantan	46,344	167,046	116,932	36.04
South Kalimantan	19,033	65,938	46,157	34.64
Sub Total Kalimantan	73,753	254,726	178,308	34.54
North Sulawesi	115,360	405,819	284,073	35.18
South Sulawesi	218,712	753,840	527,688	34.47
Gorontalo	134,471	543,887	380,721	40.45
Sub Total Sulawesi	527,045	1,850,651	1,295,456	35.11
Other Provinces/Islands	19,344	36,466	25,526	18.85
TOTAL INDONESIA	3,450,650	12,381,561	8,667,093	35.88

Source: Indonesian Central Bureau of Statistics (BPS)

Note: * GOI first estimates 2007

STRATEGIC ECONOMIC INDICATORS

ANIMAL INVENTORIES-Beginning of Year (in heads)				
Country: Indonesia	2005	Last Year 2006	Current Year 2007	Out Year Forecast 2008
Report Year: 2006				
Poultry (including ducks)	1,207,338,301	1,225,000,000	1,250,000,000	1,275,000,000
Hogs	6,800,698	7,086,709	7,200,000	7,500,000
Dairy Cattle	361,351	382,313	400,000	420,000
Goats	13,409,277	14,051,156	14,500,000	15,000,000
Beef Cattle & Buffalo	12,697,803	13,036,797	13,300,000	13,500,000
MEAT PRODUCTION (in metric tons)				
Country: Indonesia	2005	Last Year 2006	Current Year 2007	Out Year Forecast 2008
Calendar Year: 2006				
Poultry				
Poultry Meat (including ducks)	1,147,079	1,180,000	1,215,000	1,250,000
Eggs (including ducks)	1,051,532	1,105,000	1,160,000	1,195,000
Pork	173,669	179,441	182,500	185,000
Beef	358,704	389,294	425,000	450,000
Goat	50,603	53,277	55,500	60,000
COMPOUND FEED SECTOR (in 1,000 mt)				
Country: Indonesia	2005	Last Year 2006	Current Year 2007	Out Year Forecast 2008
Calendar Year: 2006				
Compound Feed Capacity	10,000	11,000	11,500	11,500
Total Compound Feed Produced	6,839	7,348	7,830	8,549
----- by integrated producers	5,129	5,511	5,873	6,412
----- by commercial producers	1,710	1,837	1,958	2,137

Source: Indonesian Central Bureau of Statistics (BPS) and Min. of Agriculture

FEED GRAIN USE (in 1,000 mt)				
Country: Indonesia	2005	Last Year 2006	Current Year 2007	Out Year Forecast 2008
Marketing Year:				
Corn (Domestic consumption: feed)	4,000	4,000	4,050	4,050
Other:				
Wheat (Domestic consumption: feed)	52	52	53	53
Rice (Domestic consumption)	35,600	35,800	35,850	36,000
PROTEIN - ENERGY USAGE (in 1,000 mt)				
Country: Indonesia		Last Year	Current Year	Out Year Forecast
Marketing Year: 2006/2007	2005/2006	2006/2007	2007/2008	2008/2009
Total Protein Meal (feed waste domestic consumption)	1,914	2,340	2,182	2,505
Soy Bean Meal (feed waste domestic consumption)	1,965	1,790	1,900	1,900
Other Protein Meal:				
Palm Kernel Meal (feed waste domestic consumption)	450	460	510	510
Rape Meal (feed waste domestic consumption)	5	5	5	5
Fish Meal (feed waste domestic consumption)	n.a	n.a	n.a	n.a
Sunflower Meal	0	0	0	0
Cottonseed Meal	0	0	0	0
Feather Meal	0	0	0	0
Meat Meal	0	0	0	0
Palm Oil (feed waste domestic consumption)	80	85	90	90

Source: Various sources.

TRADE (in 1,000 mt)				
Country: Indonesia	2005	Last Year 2006	Current Year 2007	Out Year Forecast 2008
Calendar Year: 2006				
Corn				
Imports:	800	1,330	1,200	1,000
Exports:	50	30	30	30
Soy Beans				
Imports:	1,266	1,255	1,400	1,600
Exports:	0	0	0	0
Soy Bean Meal				
Imports:	1,617	2,049	1,800	1,900
Exports:	0	0	0	0
Fish Meal				
Imports:	83	75	72	72
Exports:	1	0	0	0
Sunflower Meal				
Imports:	0	2	0	0
Exports:	0	0	0	0
Rape Meal				
Imports:	77	70	70	70
Exports:	0	0	0	0
Cottonseed Meal				
Imports:	3	0	1	2
Exports:	1	8	2	2
Meat Bone Meal & Hydrolized Feather Meal				
Imports:	418	300	325	350
Exports:	18	15	10	10
Meat Meal				
Imports:	2	1	1	1
Exports:	0	0	0	0
Peanut Meal				
Imports:	7	10	25	3
Exports:	0	0	0	0
Palm Oil				
Imports:	5	5	5	5
Exports:	11,200	12,500	13,500	14,500

Source: Various sources

TARIFFS AND TAXES				
Country: Indonesia	Product Description	Bound Rate (%)	Applied Rate (%)	Other Import Taxes/Fees
Report Year: 2006				
HS Code:				
0505.9	Feather Meal	40	5	10
1001.90.99	Feed Wheat	27	0	10
1501	Yellow Grease	40	5	10
1502.00.19.00	Inedible Tallow	40	5	10
1511	Palm Oil	40	0	10
1518	Anml/Vg Fats & Oils	40	5	10
2301.10	Meat & Bone Meal	40	0	10
2301.20	Fish Meal	40	0	10
2303.10.90	Corn Gluten Meal	40	0	10
2303.30	Dry Distilled Grain	40	5	10

Source: Indonesian Tariff & Import Duty Book 2007